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Washington's Unemployment Dropped in October

OLYMPIA – Washington's seasonally adjusted unemployment rate fell seven-tenths of a percentage point to 6.7 percent in October, Employment Security Commissioner Sylvia P. Mundy announced today. The nation's seasonally adjusted unemployment rate increased by one-tenth of a percentage point to 5.7 percent.

Washington's non-adjusted unemployment rate fell by three-tenths of a percentage point to 6.4 percent.

"Too many uncertainties exist to take the October numbers as a sign that the economy has significantly improved in Washington," said Mundy. "Not all decreases in the unemployment rate are positive since increasing numbers of discouraged workers, which we believe are reflected in October's labor force contraction, can cause the unemployment rate to fall. Still, seasonally adjusted employment has risen over the month. The unemployment rate is an estimate and additional months of data will be needed before a clear trend can be identified."

Not adjusted for seasonal employment, Washington's nonagricultural wage and salary employment increased by 11,200, or 0.4 percent, over the month of October. This follows a gain in employment of 9,600 over the month of September. The job gains for October, as in September, have been concentrated almost entirely in state education (13,800) and local education (14,100), as faculty, teachers, and other school personnel returned to work. All other major sectors experienced declines in employment or remained constant. Manufacturing fell by 2,400, construction fell by 2,500, and services fell by 2,000. Much of the decline in services was due to normal seasonal layoffs in hotels (-1,300) and amusement and recreational services (-2,800). The only service sector to gain substantially was educational services with an increase of 3,400.

Adjusted for seasonal changes, nonagricultural employment estimates prepared in collaboration with the Office of the Forecast Council show that employment increased by 6,900 in October, indicating that the employment gain in Washington over the month is more than normal for this time of year. Seasonally adjusted numbers show a strong increase in the service sector, particularly in amusement and recreational services. The gain in local and state education is much less, with the seasonally adjusted numbers indicating that most of the non-adjusted increase represents a normal seasonal pattern.

Nonagricultural employment in Washington is still significantly lower than it was at this time last year with a decline of 36,200. This, however, is the smallest year-over-year decrease so far in 2002. Eighty percent of that decline has been in the manufacturing sector. Two-fifths of the state's job losses over the year have been in aircraft and parts. There were also large drops in employment in construction, transportation, communications, and utilities, wholesale and retail trade, and services. The gains in local and state education – schools and colleges – outweighed employment losses in other areas of state and local government.

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